



Important Open Enrollment Information

HIGHLIGHTS

Open Enrollment runs from Oct. 31 through noon (Indianapolis time) on Nov. 21, 2005. Elections take effect Jan. 1, 2006.

New High Deductible Health Plan (HDHP) combined with a Health Savings Account (HSA) option (page 2)

Advantage, Arnett and M-Plan HMOs are no longer available (page 3)

New vision carrier with better benefits at no additional cost (page 4)

New and discontinued options for life insurance (page 4)

New procedures for over-age, full-time student dependent enrollment (page 4)

PeopleSoft directions (page 5)

Dear Fellow State Employee:

It's no secret that the cost of health care is rising. This trend has an obvious impact on the cost of our health plan premiums. What you may not know is that State employees and their families greatly increased their use of health services in 2005 and this is the #1 factor causing our premiums to go up.

For 2006, the total cost of insuring State employees will increase significantly. The good news is that the State will assume a majority of the jump in the cost of health care and will pay between 76% and 100% of premium costs for employees, an increase over last year.

But reality is that neither the State nor its employees will be able to absorb these kinds of increases in health care costs in the future. Each of us can and should take steps to slow this upward trend in health benefit premiums. If we don't, our health benefits will no longer be affordable for us or for the State. The bottom line: We all have a direct impact on how much our premiums will be in 2007.

Start by making smart decisions about how you use health care. Only visit the emergency room for true emergency situations. Use generic drugs whenever your health care provider approves them. These easy actions will reduce the total expense of claims in 2006, which can be reflected in the premiums for 2007.

Making healthy choices in your daily life will also have a direct impact on your wallet. As more State employees make healthier choices, a reduction in obesity and smoking will help reduce incidents of high blood pressure, diabetes, cancer, heart problems and stroke. As a result, our health benefits will remain affordable and our workforce will be happier and healthier.

One new option for health insurance is designed to help us better manage our health care costs as well as our own health conditions. It is the new Health Savings Account (HSA). The State will also offer two self-insured plans administered by Anthem and two M-Plan HMO options. Vision care benefits have been enhanced at no additional cost to you, and we are also pleased to offer a wider variety of coverage levels for life insurance. Please carefully review your many options and make informed choices during the Open Enrollment period.

The State Personnel Benefits Division and Agency Benefits Coordinators across the state are ready to assist you throughout the Open Enrollment process. As always, thank you for your service to the State.

Sincerely,

Debra F. Minott, State Personnel Director



Open Enrollment and Benefits Effective Dates

Open Enrollment will be held Oct. 31 through noon (Indianapolis time) Nov. 21, 2005. During this period, all employees — including participants in the Early Retiree Insurance Program, employees on Disability or former employees with coverage through COBRA — can choose to make additions or changes to their benefit selections. Benefits for all employees will be effective on Jan. 1, 2006. Deductions will begin:

Payroll A: Dec. 28, 2005

Payroll B: Dec. 21, 2005 (Deductions will be for one week of your 2005 elections and one week of your 2006 elections.)

Deductions for flexible spending accounts (FSAs) will begin on the check dated Jan. 11, 2006, for employees on Payroll A and Jan. 4, 2006, for employees on Payroll B.

Changes to Health Care Offerings

This year, the State is pleased to offer five different health plans to meet the health care needs of you and your family. Some plans are only slightly changed, but two are new and several others will no longer be offered. It's important that you review each of the plans to find the one that will work best for your situation.

If you have questions about how the plans work and what level of coverage they provide, you can locate specifics, plan summaries and links to each carrier's Web site at www.IN.gov/jobs/benefits.

Health Savings Accounts

This year, employees may choose to enroll in a Health Savings Account (HSA) in conjunction with a High Deductible Health Plan (HDHP). There is no employee premium for this HDHP. The State makes a contribution to the HSA, and employees can also make tax-free contributions to this account to save for medical expenses.

With this option, you control how you pay for your portion of health care services, choosing between paying from your HSA or paying out of pocket. Once you meet the plan deductible, you receive 80% coverage for in-network standard medical services. As with other plans, there is a maximum out-of-pocket expense, at which point coverage increases to 100%.

Funds deposited in HSAs belong to the employee, earn interest, can be rolled over from year to year, and can be taken with the employee when changing jobs or retiring. Funds can be used for any qualified medical expense. Only employees enrolled in the HDHP and not covered by any other health care plan can enroll in an HSA. Please be aware that if multiple members of one family unit work for the State, only one can select an HDHP/HSA. If more than one is selected, everything will be voided and you will have no health insurance.

HSAs may not be for everyone, but we encourage you to consider this new option for yourself and your family.



Changes to existing plans

You should carefully review all details of your current plan, as it may have changed. Here are some of the noteworthy changes to existing plans:

Anthem Trad I

- Deductible fixed at \$500 individual and \$1,000 family.
- All birth control covered.
- Outpatient diagnostic services (such as labs or x-rays) now covered.
- Prescription copays do not apply to your out-of-pocket maximum.
- New limits for physical, occupational, speech and spinal manipulation therapies.
- Deductible credit not available for new plan year.
- Lifetime maximum coverage increased to \$2 million.

Anthem Trad II

- All birth control covered.
- New limits for physical, occupational, speech and spinal manipulation therapies.
- Lifetime maximum coverage increased to \$2 million.

M-Plan II

- \$20 copay per dialysis visit.
- \$50 copay for high imaging such as MRI, SPEC, CT and CAT.

Discontinuation of Advantage, Arnett and M-Plan I HMOs

Employees currently enrolled in Advantage, Arnett or M-Plan I HMOs must select a new plan, as these will no longer be available. Please review the alternative plans and service areas, and select a new plan that best meets your needs. If you do not select a new health plan during Open Enrollment, you will not have health care coverage with the State in 2006.

Medical and Dependent Care Flexible Spending Accounts

As a reminder, employees must re-enroll in flexible spending accounts (FSA) each year. Participation does not automatically continue from year to year. FSAs provide the opportunity to set aside pre-tax dollars from each paycheck for reimbursement of qualified medical and/or dependent care expenses. Some important things to consider:

- If you are enrolled in the State's HDHP with HSA, you can still contribute to a medical FSA, but you can only use it for vision and dental expenses. Please adjust your contributions appropriately.
- The FSA has a "use it or lose it" status. Money left at the end of the plan year is not rolled over or reimbursed.
- There is an administrative fee of \$2.40 per pay period.



New Vision Plan

State employees will receive expanded service and increased benefits — with no premium increase — through EyeMed, the State's new vision plan carrier. This includes a higher allowance for frames and contact lenses, as well as flat co-pays on some extras, such as polycarbonate lenses and scratch-resistant coatings.

If you are currently enrolled in Spectera, your current coverage will be automatically transferred to EyeMed. You only need to complete Open Enrollment for the vision plan if you wish to enroll, change your current level of coverage, or re-enroll an over-age dependent who is a full-time student.

New and Discontinued Life Insurance Options

This year is your last chance to select or increase life insurance coverage without being required to provide evidence of insurability. This means that you do not have to have a physical or any tests to show the provider that you are in good health. In future enrollment periods, evidence of insurability will be required and you may be denied new or increased coverage if the insurance company deems you a high risk.

All employees should review their supplemental and dependent life insurance options this year, because there are many changes to the levels of coverage. **If you are currently enrolled in a level of coverage that will not be offered next year, you must select a new level of coverage or you will not have supplemental or dependent life insurance coverage through the State in 2006.**

Basic Life coverage will be less expensive this year. Here are some additional changes:

- Supplemental Life coverage will be available for most employees in increments of \$10,000 up to a maximum of \$150,000, regardless of salary level.
- Employees reaching age 65 or older on or before Dec. 28, 2005, may elect Supplemental Life coverage in increments of \$10,000 up to and including \$100,000.
- Dependent coverage for spouse only, children only, or spouse and children will be available at levels of \$5,000, \$10,000 or \$15,000. You must elect Supplemental Life coverage to select Dependent coverage.

New Procedures for Over-Age Dependent Coverage

Dependent children may be covered by an employee's health plan until the end of the calendar year in which they turn 19. Dependent children older than 19 who are full-time students may continue coverage until the end of the calendar year in which they turn 23. Beginning this year, you must edit dependent student status in PeopleSoft and re-enroll him/her in each plan every year. Documentation may be requested periodically by the carrier to confirm continued eligibility.

Disabled dependent children may continue benefits beyond the end of the calendar year in which they turn age 19, if eligibility is maintained and the Disabled Dependent form is submitted. This form must be signed by a physician and submitted to the Agency Benefits Coordinator during open enrollment or within 120 days of the beginning of the plan year. This form must be filed each year.



PeopleSoft Login and Online Self-Service Instructions

When to Log In

The State has more than 33,000 employees – more than the PeopleSoft system can handle at one time. To avoid overloading the system, we ask that you complete your open enrollment during the window specified below, if possible. If you have trouble accessing PeopleSoft during the workday, please try again at an off-peak time, such as after 6 p.m. or on the weekend.

Last name begins with	Login between
A – F	Oct. 31 – Nov. 2
G – M	Nov. 3 – 7
N – S	Nov. 8 – 11
T – Z	Nov. 12 – 16
Open	Nov. 17 – 21 (noon Indianapolis time)

The Open Enrollment process is completely self-service, so you can complete your enrollment at your convenience. You will be able to access PeopleSoft from any computer with an Internet connection and a Web browser – at home, at the office, at a public library, or at a friend's house. You can access PeopleSoft 24 hours a day, 7 days a week.

How to Log In

Employees can find their login information on the benefits statements that have been or will be distributed by Agency Benefits Coordinators. For those employees who have not accessed PeopleSoft since June 1, passwords have been reset to the first initial of the employee's first name, last four digits of the employee's Social Security number and first initial of the employee's last name. Once you are logged in, the system will prompt you to establish a new password.

Remember, you can access PeopleSoft at any time during the year to review your benefits or update contact information. To access PeopleSoft, open a Web browser window and go to:

<https://hr.gmis.in.gov/psp/hrprd/?cmd=login>

Important Last Step

After you complete your open enrollment selections, make sure all your eligible dependents are included, and print, sign and return an AS-47. If you do not return the AS-47 to your Agency Benefits Coordinator, you will not have completed the Open Enrollment process, payroll deductions will not be set up, and you will not be enrolled in any of your selected benefits packages. **Don't risk losing health insurance and other benefits for 2006 – complete and return your AS-47 as soon as possible and no later than noon (Indianapolis time) on Nov. 21!**

If you do not have access to a printer, contact your Agency Benefits Coordinator for assistance.

If you are an employee of a quasi agency, please work with your Agency Benefits Coordinator to ensure appropriate payroll deductions are started.



Making Changes

After noon (Indianapolis time) on Nov. 21, 2005, you will not be able to make changes to your benefits package. This means you must be certain you have made all the best choices, remembered to add all eligible dependents, and submitted a signed AS-47.

If you need to make changes after Open Enrollment because of a change in your family status or other qualifying events, you must contact your Agency Benefits Coordinator and complete the necessary forms within **30 calendar days of the event** to make any necessary changes. Qualifying events may include:

- Changes in your legal married status (marriage, divorce, separation, annulment or death of spouse).
- Changes in the number of dependents (birth, adoption, placement for adoption or death).
- Changes in employment status for you or your spouse, such as termination of or change in employment, a strike or lockout, start or end of an unpaid leave of absence, or a change in worksite.
- Changes in dependent eligibility status (such as attainment of limiting age, gain or loss of student status, marriage or similar circumstance).

Failure to contact your Agency Benefits Coordinator and complete any necessary paperwork within **30 calendar days** means you will not be able to make changes until the next enrollment period.

Have Questions? Need More Help?

We're here to help you! For 2006 plan summaries, rates, PeopleSoft instructions and other Open Enrollment information, please log on to www.IN.gov/jobs/benefits.

If you have questions about Open Enrollment not answered on the State Personnel Department's Web site, please contact your Agency Benefits Coordinator or call the Open Enrollment Hotline: 317-232-1167 or 877-248-0007 (for calls outside the 317 area code).